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OECD Policy Guidance for Digital Content



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Digital content has become an increasingly important and pervasive factor shaping economic and social development. High-speed communications, increasing upstream as well as downstream bandwidth, declining access prices, convergence of previously distinct networks, innovation in new devices and applications and lower entry barriers will drive new ways of creating, distributing, preserving, and accessing digital content. As economies move towards being more knowledge-intensive, information-rich activities in which content is created, collected, managed, processed, stored, delivered, and accessed are spreading into a broad range of industries, contributing to further innovation, growth and employment. Digital content is becoming central in research, health, education and social services, knowledge and cultural services and government. It is also stimulating increased participation and creative supply by users.

Appropriate policies can increase the contribution of digital content to growth and welfare and spread the benefits more widely. The 2004 OECD Recommendation of the Council on Broadband Development¹ recognised the growing role of digital content and the Working Party on the Information Economy has undertaken extensive analysis of digital broadband content developments and strategies and associated policies.² These principles build on this work, the conference on ‘The Future Digital Economy: Digital Content Creation, Distribution and Access’ and on national inputs.

The objective of these principles is to help provide and inform the context for policy discussion, policy analysis, review and development. Further work will be undertaken by the OECD and its member countries to both implement this framework, and review and improve it in the future.³ A range of stakeholders have interests in these issues. It is important to recognise and involve them in further work to ensure that the benefits of digital content-related innovations and the wide diffusion of content, information, and knowledge are achieved.

¹ See the report *Monitoring the Recommendation of the Council on Broadband Development*, C(2008)51.

² See analytical studies at www.oecd.org/sti/digitalcontent. These studies use a common methodological approach to deal with emerging challenges and policy issues. They comprise: scientific publishing, music, online computer and video games, mobile content, public sector information, user-created content, film and video and online advertising. An analysis of strategies and policies is contained in OECD (2006), *Digital broadband content: Digital content strategies and policies*, DSTI/ICCP/IE(2005)3/FINAL.

³ Further work is also needed in measuring digital content, developing appropriate international indicators and metrics, and improving systematic and comparable data collection, research and analysis.

Governments and digital content

It is clearly recognised that market participants create and develop digital content business models but governments have a role in developing “enabling factors” for creation and use of digital content, taking measures to support cultural diversity and local content-related entrepreneurship, and acting as facilitators by enhancing capabilities and removing unnecessary regulatory barriers and other impediments across previously separate policy areas. Elimination of barriers to competition in network services, and policies that promote investment in broadband infrastructure, content and capabilities in rural and remote regions and developing economies play an important role. An appropriate ‘pro-digital content’ business environment can be developed by addressing market failures that hamper R&D, innovation, education and skill development. Non-discriminatory framework conditions can reduce barriers to entry, improve competitive conditions and help overcome lack of finance. Governments also have a major role as creators and users of digital content.⁴

Digital content principles⁵

The following policy principles will help promote an enabling environment, enhance the infrastructure, and foster a business and regulatory climate conducive to the creation, access to and preservation of digital content.

Promoting an enabling environment

- Policies that encourage a creative environment that stimulates market and non-market digital content creation, dissemination, and preservation of all kinds.
- Policies that facilitate R&D and innovation in digital content creation, dissemination, and preservation, and digital content-related networks, software and hardware, open standards, and interoperability.
- Policies that help ensure that capital markets (e.g. venture and risk capital) work competitively in funding innovation and digital content ventures.
- Initiatives aimed at addressing shortages in skills, training, education and human resource development for the creation, distribution and use of innovative digital content.
- Policies that stimulate enhanced knowledge creation, dissemination, lawful use and preservation of different forms of digital content, (including access to information, research, data and publications), encourage investments in

⁴ See separate *Recommendation of the Council for enhanced access and more effective use of public sector information* C(2008)36.

⁵ For consistency the terms “digital content creation, dissemination, and preservation” and “use,” have been used as appropriate in the text unless a particular situation requires the use of a specific term.

such creation, dissemination and preservation, and encourage global access to content regardless of language and origin.

- Policies that enhance access and more effective use of public sector information.
- Creating and ensuring an environment that promotes freedom of expression and access to information and ideas.

Enhancing the infrastructure

- Policies that encourage investment in new network infrastructure, software, content and applications.
- Policies that work to improve regulatory parity and consistent policy treatment across different, and in some cases converging, content delivery platforms (including next-generation networks), technological environments and value chains.
- Policies that encourage technology neutral approaches, interoperability and open standards development to address technological issues related to digital content creation, dissemination, use and preservation.
- Policies that improve applications for the delivery and use of digital content, including promoting effective management, preservation and dissemination tools that enhance access and use of different types of digital content.
- Policies that promote and enhance accessibility to digital content of all people regardless of location in order to realise the full benefits of the Internet economy and the global digital environment.

Fostering the business and regulatory climate

- Policies that encourage the development of innovative business models, the spread of best practices and the adaptation of value chains in the digital environment.
- Policies supporting non-discriminatory business and policy frameworks that reinforce competition.
- Policies that recognise the rights and interests of creators and users, in areas such as the protection of intellectual property rights, while encouraging innovative e-business models.
- Policies that provide incentives for the creation, dissemination, and preservation of digital content (e.g. through open innovation strategies, university-business collaboration, providing incentives for long-term research, and through intellectual property rights).
- Policies to improve information and content quality and accuracy; for example, policies that facilitate the use of tools to help creators identify and disseminate their works and users to identify and access specific information and works.

- Policies that enhance confidence in the creation and use of digital content through effective enforcement of privacy and consumer protection, by discouraging identity misrepresentation and theft and protecting children from harmful content by clearly informing users of means of protection, by reducing digital copyright infringement, by promoting information and network security while striking the balance between openness and security in content environments, and more generally by strengthening cross-border co-operation and practical measures to reach these goals.
- Policies that improve online commercial transactions including mechanisms for payment and micro-payments, electronic signatures and authentication, and international interoperability of these mechanisms.
- Clarifying taxation issues as they relate to digital content products.